

Iraq Tells U.S. It Will Use French Jets to Press Iran

By Don Oberdorfer

Washington Post Service

WASHINGTON — Iraq has informed the United States that it intends to use five new French warplanes to bring to a head its three-year war against Iran, an action that would create serious new risks to U.S. interests in the Gulf and to the world's oil supply.

The Iraqi decision to change the tempo and direction of the war, believed to have been made in Baghdad during the summer, was transmitted to officials in Washington in clear and forceful terms in recent weeks, according to State Department sources.

The knowledge of Iraq's intentions, as well as Iran's threats to retaliate by closing the Gulf to all oil shipping, had increased concern in the Reagan administration even before the news media reported that five Super Etendards, capable of firing Exocet air-to-surface missiles, left a French air base for Iraq on Friday.

Informants in Paris reported Sunday that the five jets had arrived in Iraq. The Associated Press reported.

Iraq denied Sunday that it would close the strategic Strait of Hormuz, connecting the Gulf and the Gulf of Oman, if Iraq took delivery of French fighter bombers but said it would do so if Iran's oil exports were blocked, United Press International reported, quoting the official radio.

In anticipation of a new crisis in the Gulf, a battle group that includes the aircraft carrier Ranger was moved recently from Central America to the Indian Ocean. The British aircraft carrier Invincible has also arrived in the area. An official said the British flotilla was likely to remain until February.

A State Department statement on Sept. 26, reiterating a statement of two months ago, said the United States "would view with grave concern" any attempt to interfere with commercial traffic in the Gulf, the world's most important artery of international oil commerce.

Earlier last month a U.S. inter-agency task force was set up to study, formulate and coordinate policy in case of more serious trouble. But the United States' limited

ability to affect the course of events is in sharp and painful contrast to the high stakes involved, officials said.

The initial weeks of the war, which began with an Iraqi attack on Iran in September 1980, created increased concern in Washington about the continued supply of petroleum through the Gulf. This led to the dispatch to Saudi Arabia of U.S. Air Force airborne warning and control system (AWACS) aircraft — which still remain on the Gulf — and the stepped-up deployment of naval forces in the area by the United States and its allies, including France.

Since then the war has claimed more than 100,000 lives, according to U.S. official estimates, and some unofficial estimates are that it has left as many as 250,000 dead.

After the failure of a "human wave" offensive in February of this year, Iran flirted briefly with the idea of a negotiated settlement but eventually settled down to a war of attrition against its smaller neighbor. "It has been almost like a medieval siege, and it has been hurting Iraq," a U.S. official said.

Because of war damage to its oil-loading facilities at the head of the Gulf and the cutoff of its Syrian oil pipeline by the antagonistic regime in Damascus, Iraq is able to export only about 700,000 barrels per day of its principal economic resource, compared with about five times as much before the war.

Moreover, in recent months Saudi Arabia and other Arab oil producers that support Iraq have reduced their subsidies to Baghdad from about \$12 billion a year to about \$6 billion because of financial difficulties caused by the world oil glut and weakening petroleum prices, according to a U.S. estimate.

The result is that Iraq's coffers have been depleted, its morale has been sapped and the regime in Baghdad has felt increasing strain. The leaders in Baghdad are reported to have calculated this summer that if these problems continue, they will lose the war to Iran, which is able to export more than two million barrels a day through the Gulf and is building its strength and international reserves.

■ Iraq Reports Gains

Iraqi ground forces and helicopter gunships attacked Iranian positions at the northeastern Iraqi town of Haji Omid and inflicted heavy losses, Baghdad Radio said Saturday, according to The Associated Press.

The radio, quoting a military statement, said a number of Iranian soldiers were killed in the attacks.

U.S. May Bar Products Made in Soviet Camps

By Kenneth B. Noble

New York Times Service

WASHINGTON — The commission of customs has recommended that three dozen products made in the Soviet Union be barred from the United States because he has reason to believe that they were made with the help of forced labor.

The commissioner, William von Raab, said in a letter to Treasury Secretary Donald T. Regan that he had information that "reasonably indicates" the products were manufactured with the help of prisoners or forced labor. Any ban would not be approved by the Treasury Department.

They have been reports that Vietnamese and other Asians were among those being used as forced laborers in the Soviet Union, most recently in construction of the natural gas pipeline from the Soviet Union to Western Europe.

Those who saw copies of the Raab letter, dated Sept. 28, said it covered automobile parts, cathode-ray tube components, cabinets for radio and television sets, wire fences, camera lenses, mattresses, steel drums and barrels, electric motors, and clothing.

Although the value of these items has not been estimated, most government officials say they represent a fairly negligible portion of U.S.-Soviet trade.

Mr. Raab said that if his recommendation was followed, "customs officers will be instructed to withhold release of any such articles" imported from the Soviet Union.

The Treasury Department has sent Mr. Raab's recommendations to Secretary of State George P. Shultz. Mr. Shultz was said to have been furious over recommendations by an interagency export policy group last month that controls on exports to the Soviet Union be tightened.

Federal law bars the importing of items made "wholly, or in part, in any foreign country by convict

labor and/or forced labor." Government officials familiar with the issue say that the law has never been enforced.

In February, Lawrence S. Eagleburger, undersecretary of state for political affairs, said in a letter to Senator William L. Armstrong, a Colorado Republican, "It is well known that forced labor has been used on pipeline projects in the past and we have evidence that it is being used now, as well, in domestic pipeline construction."

Mr. Raab has been mentioned as a possible replacement for Lawrence J. Brady, an assistant secretary of commerce, who is an ardent opponent of trade with the Soviet Union.

Mr. Brady has been at the center of battles in the Reagan administration over trade sanctions that he and others proposed to punish Moscow, apparently in reaction to the Soviet downing of a South Korean airliner.

Mr. Brady recommended that the Reagan administration deny an export license sought by a subsidiary of the Hughes Tool Co. to sell \$40 million worth of oil exploration equipment to the Soviet Union.

That touched off a conflict in the administration over its trade policies. Currently, the administration restricts the sale of most high technology equipment to the Soviet Union. But the administration has permitted the sale of such pipeline construction equipment as conventional drilling rigs that involve less advanced technology.

Most recently, equipment to lay pipelines has been removed from the restricted list.

Dennis Murphy, a customs service spokesman, said Friday: "We received a number of inquiries from a broad range of senators and representatives urging us to take action on this issue." He said that Mr. Armstrong "has met with the commission and has particularly urged custom service action."

Bomb in Burma Kills Key S. Korean Officials

The Associated Press

RANGOON, Burma — A bomb apparently meant for President Chun Doo Hwan of South Korea exploded at a memorial site here Sunday, killing four of his cabinet ministers, his ambassador to Burma and several of his highest aides.

The assassination explosion incident against the presidential party was a disaster which has destroyed international political order in a single strike," Information Minister Lee Chin Hui said in Segal.

They said at least 48 people were wounded, including two Burmese cabinet ministers and 15 high-ranking South Koreans.

South Korean officials accused North Korea of engineering the explosion, which devastated the senior leadership of Mr. Chun's government. It came on the first day of a scheduled 18-day presidential goodwill tour to six Asian nations.

Burmese and South Korean officials said Mr. Chun and his wife immediately flew back to Seoul canceling the remainder of the trip. In Seoul, police sealed off the airport before the arrival and stopped reporters from entering.

Prime Minister Kim Sung Hyup had two emergency cabinet meetings in Seoul, decreed a national alert for the armed forces and sent an emergency medical team to Rangoon to care for the South Korean wounded.

Witnesses and government accounts said Mr. Chun's car was three minutes from the memorial site, where he was to lay a wreath when a tremendous explosion shattered the mausoleum's roof.

It was not clear what type of explosive was used, but South Korean press agencies said it may have

been a time bomb planted in the ceiling of the one-story memorial north of the Burmese capital. Burmese leaders assassinated during 1947 civil disturbances are enshrined in the memorial.

All four Cabinet ministers accompanying Mr. Chun died in the explosion, according to Burmese and South Korean officials. They were Deputy Prime Minister So Sok Chun, 45, who also held the important post of head of the economic planning board; Foreign Minister Lee Bum Suk, 58, who had organized the visit; Kim Dong White, 51, commerce and industry minister, and Suh Sang-chul, energy and resources minister.

Other prominent victims were Kim Jae Ik, 45, a secretary for economic affairs, Lee Kai Chul, South Korea's ambassador to Burma, and Hahn Pyung Choon, chief presidential secretary who once served as ambassador to Washington.

Burma state radio said the wounded Burmese cabinet minister were the deputy minister for culture, U Than Maung, and the information and culture minister, U Aung Kyaw Myint. Lee Ki Baek, chairman of South Korea's joint chiefs of staff, was reported seriously injured.

In Washington, a State Department spokesman said the Reagan administration was "shocked and saddened" by the explosion. A White House spokesman said it would not affect President Ronald Reagan's plans to visit South Korea next month.

In 1968, a North Korean agent of commandos penetrated Seoul and moved within blocks of the presidential mansion then occupied by President Park Chung Hee before security agents killed them.

In 1974, Mr. Park's wife was killed by shots fired by a Korean resident of Japan in an assassination attempt on her husband. The gunman was said to have been a North Korean supporter.

Reagan Policy Toward Soviet Union Colored by Pragmatism and Politics

By Leslie H. Gelb

New York Times Service

WASHINGTON — President Ronald Reagan's policy toward the Soviet Union is becoming highly pragmatic, seriously confused or heavily political, depending on who is doing the explaining.

During the last three months, he has condemned Moscow for masterminding revolution in Central America, using the Syrians to create turmoil in Lebanon, and barbarily shooting down the South Korean passenger airliner.

In the same period, Mr. Reagan has approved a big grain agreement in which he pledged not to embargo

presidential campaign and that arms treaties with Moscow would soften his hawkish image.

Officials are also well aware that congressional support for increasing military spending would lessen if there were no visible efforts at achieving arms control.

It is also true that the White House feels that simultaneous bipartisan backing for more arms and for arms control is the best way to bargain with Moscow.

Mr. Reagan's way of getting this backing, by all accounts, was simply to tell his reluctant aides last week essentially to accept the new strategic arms ideas of a few key legislators and members of his Commission on Strategic Forces.

The result was a grafting of the administration's initial tough approach onto a quite different and more conciliatory one.

The history of the administration's arms control policies has become a kind of metaphor for this mixture of pragmatism, politics and confusion.

The administration brought people to power who never tried to hide their conviction that Soviet leaders lie, cheat and seek world domination. These officials feel that their time in office has only confirmed their worst fears. But almost all other respects their deeds have not fit their early words.

At first, they maintained that the Soviet Union had strategic superiority and that Washington could not negotiate until new weapons were deployed and a balance achieved.

Then several months ago and before any new weapons had been deployed or the presumed imbalance righted, these officials began to say the necessary momentum in new weapons programs had been achieved and that was sufficient.

They labeled the unratified treaty on strategic arms as practically treasonous, yet promised to observe it and ended up accusing the Soviet Union of violating it.

They insisted on a policy of "linkage," meaning that

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Watt Quits Under Senate Pressure, Says He Can No Longer Aid Reagan

United Press International

SANTA YNEZ, California — Interior Secretary James G. Watt resigned Sunday, culminating a 2½-year career after he created an embarrassment for the Reagan administration with a derogatory remark he made about minority groups.

Mr. Watt, 45, told reporters outside the ranch where he has been vacationing since Wednesday that he had sent a letter to President Ronald Reagan saying he believed his "usefulness to the administration has come to an end."

Pressure for Mr. Watt's resignation has been growing since he said that an advisory panel was made up of a black, a woman, two Jews and a cripple.

Sources have said he had been considering resigning rather than face an almost certain vote of no-confidence in the Republican-controlled Senate next week.

Mr. Watt said he had accomplished the goals he set when he came to Washington and said the U.S. environment was better man-

aged and the country's energy resources more successfully handled.

Mr. Watt and his wife, Leilani, rode down on horseback to meet with reporters. Mr. Watt gave out the one-page typed letter he had had hand-delivered to the White House. It was signed, "Jim."

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San Marino Affirms Its Traditions: Democracy, Amiability

By Henry Kamm
New York Times Service

SAN MARINO — Two apostolic dealers, one a Communist and the other a Socialist, took their places recently in a line of succession, unbroken since at least the year 1244, of elected consuls who have governed this last surviving Italian city-state, which also likes to call itself the world's oldest republic.

The line to which 37-year-old Renzo Renzi, a Communist since he was 17, and Germano di Biagi, a 34-year-old Socialist, succeeded Saturday, taking the place of two physicians, is long not only because it is more than 700 years old but also because San Marino has maintained its democratic government at the cost of letting no one rule alone or for very long.

The walls in the Palazzo Valloni where foreign and local dignitaries paid homage to the new captains-regent, are covered with the names of their predecessors beginning in 1244 and proceeding from 1360 onward without a break. It takes spacious walls to keep this record, because San Marino always has two captains-regent at a time and changes both every six months.

Maria Antonietta Bonelli, a civil servant and historian who runs the Foreign Ministry, said there was evidence that even before 1244 this republic was governed by two consuls, but the first recorded names date to 1244. San Marino traces its history to the year 300, when St.

The largely titled jet-set

community enjoyed meeting here again and except for a required, silent courtesy bow, never met the official dealers they traveled so far to honor.

As in most Italian cities, Communists and Socialists have alternated with Christian Democrats in government, but because San Marino is an independent state that belongs to international organizations and attends important conferences, it has sometimes been regarded as a Communist bastion in the heart of a member of the Atlantic alliance.

The Soviet consul general, Yuri Karlov, came to the ceremony, although last month Giordano Bruno Reff, the Socialist secretary of state for foreign affairs, sent him a telegram condemning the shooting down of a South Korean airliner as "a terrorist act." The message had the approval of the Communists in government, Mr. Reff said in an interview.

Mr. Reff said that to understand

the spirit of this 24-square-mile (62-square-kilometer) city-state,

the 17-century-old sense of independence must be counted more highly than its strength. "We have always been weak, even in earlier days," he said. "Our soldiers are not destined for war. We fought our last war in 1462."

In that conflict, San Marino was allied with the Papal States, the kingdom of Naples and the duchy of Urbino against the Malatestas, the potentates of neighboring Rimini. "We won and extended our territory to its present scope," Mr.

Reff said. Mrs. Bonelli called the campaign San Marino's "last colonial war."

At the twice-a-year changing of the captains-regents, hundreds of



Germano di Biagi, left, marching next to Renzo Renzi in a procession through the streets of San Marino after their installation as captains-regent of the world's oldest republic.

middle-aged and heavyweight civilians who form the ceremonial military guard manipulate amunitionless rifles in approximate unanimity.

"San Marino should be the good conscience of Europe," said the secretary of state. "It should be like this everywhere. We have no enemies."

France's Tough Foreign Policy Belies Its 'Progressive' Rhetoric

By John Vinocur
New York Times Service

PARIS — The Frenchman who voted Socialist in May 1981 thinking that with François Mitterrand he was striking a blow against interventionism, neo-colonialism, and militarism got this: French troops in Chad and Lebanon, the first Atlantic alliance meeting in Paris in 17 years, a French signature on the bottom of President Ronald Reagan's Williamsburg declara-

tions on global security, and full Socialist embrace of NATO's projected missile deployment. The list skips over arms deals, support for African autocrats, and business-more-or-less-as-usual with South Africa.

If the Socialist voter is confused or disappointed by the actions, he can always listen to the words. While his government swells the share of the military budget for nuclear weapons and sends its Super Etendard fighters to bombard Syrian positions near Beirut, at least the talk is "progressive" and Third World. Indeed, at the United Nations General Assembly the week before last, Mr. Mitterrand called for two successive international conferences that would reduce arms expenditures and then transfer the savings to the underdeveloped.

More than two years into the president's seven-year term, French foreign and security policy can occasion-

ally seem like an action movie on which someone stuck a dream-sequence soundtrack. But no matter if the activism and the verbiage do not match. At home, Mr. Mitterrand has never been hurt because of a foreign policy decision. Rather, those Socialists who expected the president to close the French African bases, leave the West German garrisons, and mothball the fleet now talk about "realism in defense of the cause of peace."

Outside France, the president's friends and adver-

saries have come to judge him only by what he does, with Mr. Mitterrand gaining considerable respect in the process. The Russians have found his government continually mistrustful of them, and unresponsive on the essentials.

Perhaps the president's most ingenious bit of for-

ign policy activism in Europe, as well as his most

significant gesture toward Moscow, was his speech in the West German Bundestag that warned of false notions of disarmament and the dangers of Europe and West Germany decoupling themselves from the United States.

If the analysis of Franz Joseph Strauß, the conserva-

tive West German political leader, is correct, the speech meant extra percentage points to Chancellor Helmut Kohl in the March elections, and the victory of a security policy in West Germany that Mr. Mitter-

rand believes vital for the balance of power in Europe and the independence of France.

Like the Russians, the Americans have found Mr.

Mitterrand dead serious. The Reagan administration has got used to a French reflex to see faults in almost anything the United States can undertake as an acceptable trade-off in a basically good working relationship.

In the case of Chad, the French did not like (in spite of the contradictions) the Americans pushing them into intervening, muscling into their zone of influence, and then taking out the U.S. surveillance aircraft. But the tension was verbal: France got involved, stopped the Libyan advance, and fulfilled the role of West African policeman that the Socialist election campaign criticized so harshly in 1981.

The same kind of process took place in Lebanon, with the French criticizing the U.S. naval shelling in support of the government of Amin Gemayel, and then attacking Druze-Syrian positions themselves. The best explanation of the pattern is that it is important for the government and its followers not to seem dragged along in the wake of the Americans.

Finding little to criticize in Mr. Mitterrand's foreign policy that could excite public opinion, the French right has taken to saying it is not very original. Worse, wrote the conservative *Le Quotidien de Paris*, "it is lined up with that of the United States in spite of all the canned anti-American potshots."

France's difficulty in running its policy, particularly in relation to the United States, is apportioning its limited means. In some cases, pragmatism has submerged original intentions. An example is Nicaragua and Latin America, where the government sought

briefly to be active and then found the expense and the potential conflict with the United States too great.

These are tactical issues, but one of the greatest French fears had a flatter last week. Along with the horror scenario of an effectively neutralized West Germany that would end its buffer role between France and the Soviet bloc, the government constantly worries about some kind of Soviet-U.S. arms limitation agreement that would go behind its back and legitimate the French-nuclear force into insignificance.

Mr. Mitterrand has dealt with the issue by saying France will have nothing to do with the Geneva talks in progress. But while he was talking at the United Nations, Vice President George Bush suggested in Washington that at one point or another the French and British nuclear forces would have to come into the equation.

The formula was vague enough for the State Department to try to finesse it and the government did not press the issue. But it troubled people in France because it goes to the heart of what has the feel of a tacit, quid pro quo arrangement between the Socialists and the Reagan administration.

That understanding says that France and the United States can work in concert and in confidence in many areas if France is not pushed into the nuclear counting game. Through Prime Minister Pierre Mauroy, France made clear last week it would not accept being judged by the Americans. If it thinks it is being poked in the eye, all the other bets could be off.

Reagan Says Influx of Soviet Arms Raises Doubts on Damascus's Goals

By Bernard Gwertzman
New York Times Service

WASHINGTON — President Ronald Reagan says that a "massive" influx of new Soviet military equipment into Syria, including an advanced SS-21 missile system, has caused the United States "to wonder about" Syria's interest in peace in the region.

In his weekly radio address Saturday, Mr. Reagan confirmed U.S. intelligence reports that the SS-21, a surface-to-surface mobile missile with a range of about 75 miles (121 kilometers), was being introduced in Syria. From Syria, the SS-21 would be able to hit targets in Israel, in Lebanon and on U.S. Navy ships in the Mediterranean.

Although Mr. Reagan said the missiles were already in Syria, U.S. intelligence officials believe they are still en route, with only the launching vehicles and storage facilities in Syria now.

Administration officials said Mr. Reagan was trying to express the concern felt in Washington over Syria's activities, and in particular the major increase in Soviet arms and personnel. He also justified the

U.S. involvement in the Middle East and the continued presence of U.S. Marines in Lebanon as necessary to prevent the region from falling under Soviet sway.

Mr. Reagan also seemed to endorse the Israeli invasion of Lebanon in June 1982, a move which he had condemned at the time.

"Terrorists in Lebanon violated Israel's northern border, killing innocent civilians," he said of the situation last year. "Syrian forces occupied the eastern part of Lebanon. Israeli military finally invaded from the south to force the PLO away from the border."

Factions Agree to Meet

Lebanon's warring factions of Druze and Shiite Moslems and Christian Phalangists have agreed to hold preliminary talks in Beirut on Tuesday and a planned national conference of reconciliation is expected to follow shortly afterward. Lebanese political sources said Sunday night.

The sources said that the wider conference, in which the distribution of power would be discussed, was also expected to meet in Lebanon. Units remained on alert.

Two U.S. marines were slightly wounded late Saturday night and Sunday morning in separate shooting incidents at the Marine camp near Beirut Airport.

A Marine spokesman said "some random shots" continued to be fired throughout the day near the Marine position. Several Marine units remained on alert.

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state. (UPI) — Prime Minister Robert Mugabe's government would seize white-owned independence constituencies if they were stopped.

to buy land from whites and demand a clause in the new constitution for black peasant resettlement. These have played down reports of an application to the high court of plotting a party rally Saturday that his government

"I swear by Mwaike, Nekanda is a white man's land owned by the British prime minister decides to buy

of Uganda Offers Amnesties

— President Milton Obote offered amnesties to the country and the media to end Uganda's 21st anniversary of independence. Idi Amin, who was overthrown by Mr. Obote in exile in Saudi Arabia, fled to London where they had to throw his government.

Kidnap Guatemalan Envoy

— A dozen gunmen seized the envoy Sunday, a relative said.

Mr. Obote, general of the army, was kidnapped after gunmen entered his residence.

According to the relative, the president's son, the kidnappers' known to be members of the executive branch, the news media and the academic community.

The foundation has not hesitated to criticize President Reagan for staying as it sees it, from the conservative path.

One year into his administration, it issued the president a "report card" giving him a mark of only 62 percent for compliance on conservative issues.

"Our job is to run the flag all the way up the flagpole and hope people salute," said Mr. Feulner. "The fact that Ronald Reagan saluted 62 percent of the time wasn't bad at all. Jimmy Carter would have saluted 20 percent of the time."

Unlike Washington's other two leading think tanks, Heritage does not take government grants. Its funding comes from corporate, foundation and individual contributions, which this year total about \$10 million.

After Protests in Pak

— The Indian government ordered its people to leave a nuclear power plant.

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U.S. Admits It Overstated Aid To Areas Hurt by Peso's Fall

By Wayne King
New York Times Service

HOUSTON — Nearly \$100 million described by the Reagan administration as aid to areas hurt by the devaluation of the Mexican peso went to underwrite offshore oil rigs built in Mississippi and for the development of real property near Palm Springs, California, federal officials say.

Much of the rest of the total of about \$116 million described as aid to areas near the Mexican border is money that was previously earmarked for border areas under existing federal programs, the administration confirmed.

Border area officials say some existing grant programs have been accelerated because of the peso crisis but that very little new money has been made available.

Critics say the administration's labeling of existing funds as border aid is a suggestion, for political purposes, that there is new aid money when there is not. They say, there is no suggestion of misuse of funds, but rather, a misrepresentation of reality.

President Ronald Reagan, after a trip to the stricken border area, set up the Southwest Border Action Group in mid-August and appeared to give it significant influence in the administration by appointing Vice President George Bush as its head.

Over a two-week period in September, Mr. Bush's office reported some \$116 million in federal proj-

ects that it said would help the border areas' shattered economies. These areas are heavily dependent on commerce involving Mexicans, which was brought almost to a standstill by successive devaluations of the peso.

The disclosure by The El Paso Times, which serves a depressed border area, that a loan guaranteed of \$94.8 million to Global Marine Inc. of Houston had actually underwritten private financing for three oil rigs already built brought sharp reaction from border officials, notably Representative Ron Coleman, a Texas Democrat whose district includes El Paso.

In a statement through a spokesman in Washington, Mr. Coleman said that "the credibility of the vice president's border working group has been called into question and may be seriously damaged."

He added that the border working group was "a misleading grand stand play by the administration to make it appear that the border region will receive more assistance than it actually will," he added.

The administration was also criticized by Mr. Coleman for including a \$4.3-million low-interest government loan to construct privately owned housing for the elderly in Cathedral City, California. The loan was listed as one of the border aid projects.

Although the housing is for the elderly, it is 80 miles (130 kilometers) from the border and has been described as being more dependent on resort trade than Mexican com-

Midwest Farmers, Starting to Fight Back, Seek New Allies

By Andrew H. Malcolm
New York Times Service

CHICAGO — About 60 angry farmers, who had tried to protest a farm foreclosure by occupying a bank, were standing around in the sun on the main street of Stockton, Kansas, the other morning. The farmers, from several surrounding counties and states, broke up into several discussions on where their region's protest movement should now direct its attention.

But soon they gravitated to the fire hydrant where a muscular black man with braided hair had begun to lecture. "You farmers are so dumb," said Ernie Chambers, a state senator from Omaha. "They are going to pick you off one by one like this. Do you hear what I'm saying? Didn't you ever notice the only ones who ever get what they want in this country are those who show they're willing to fight for it? And I don't mean with words and conversations."

Agreeing mutters and nods

swept through the crowd. It seemed another sign among many that the growing farm protest movement across the country's midsection was flowing in some new, more militant directions as fall descended on the harvested fields.

The U.S. farm sector faces a growing number of foreclosures and bankruptcies as a result of continued rising costs and declining real income. In addition, many crops withered from the worst drought in decades.

As one result, Coats is planning 500 midwinter workshops to train 500 local members as well as coalition leaders from other states. These sessions will discuss the usual topics: farm finances, Minnesota's foreclosure moratorium law, legislation for minimum grain prices.

But this year the meetings will also include detailed instructions on sit-ins, office occupations and other forms of civil disobedience.

"We'll be inviting the big grain companies to debate," Mr. Christil

said, "and if they don't show, we'll bus our people over to them and practice what we learned in the civil disobedience seminar."

Soon Merle Hansen, a Nebraska farmer, will bring a handful of his peers here for a meeting that the Rev. Jesse Jackson has arranged with some black mayors for both sides to explore common interests.

Mr. Hansen, an officer of the new North American Farm Alliance, a regional coalition, is trying to broaden the farmers' base of support.

Mr. Chambers, the black legislator, was applauded by his sidewalk audience in Kansas, including Mr. Hansen, when he said: "You know, you farmers have a lot of land but few numbers. Us blacks have no land but a lot of numbers. We really ought to get together, don't you think?"

A number of state protest groups have also designated Nov. 1 as Farm Revolt Day. But instead of

dumping milk and shooting live

stock to protest low prices, this time the farmers will take the milk and meat into the cities and distribute the food free to blacks, union members and unemployed laborers as a sign of unity.

Other farmers will lobby jointly with union representatives in support of state legislation benefiting farmers and the unemployed. Last month the United Automobile Workers officially joined the Iowa Farm Unity Coalition. Union members, skilled in public confrontations, are training farmers and will be accompanying them in attempts to stamp out half-some involuntary sales of farms.

Many volunteers are already organizing politically to defeat some state and federal legislators regarded as prime opponents in next year's elections.

"We've seen a lot of ebb and flow historically in farm movements," said Mr. Libbey. "But this one is different. It goes way beyond the farm. Those people in policy positions who think we are going to just dry up and blow away had better start thinking in the long term."



A demonstrator was arrested after he broke through security guards at the Lisbon airport and ran toward a car carrying Mozambique's president, Samora Machel. (Associated Press)

Machel Blames Pretoria for Africa Unrest

By James M. Markham
New York Times Service

LISBON — President Samora Machel of Mozambique, on a visit to Portugal, has blamed South Africa for instability in southern Africa.

Mr. Machel, who began a five-day visit on Friday, was speaking at a dinner given in his honor Saturday by the Portuguese president, António Ramalho Eanes. Mr. Machel said: "It is the racist regime of South Africa which is responsible for the insecurity, for the climate of instability and for the threat of a generalized war in our region."

Mr. Machel likened the South African government to that of Nazi Germany, saying it used the same methods of aggression, intimidation, blackmail and propaganda.

"We wish to establish solid relations with all peoples of our region," said Mr. Machel. "And when we speak of the people of South Africa we speak of all South Africans."

Mr. Machel, whose Marxist government came to power when Mozambique became independent from Portugal in June 1975, also urged greater cooperation between the two countries. He said Mozambique has overcome the divisions of the 10-year war for independence, of which he was a leader. "We have learned how to overcome complexities, step by step, and overcome the trauma of a process that was difficult and painful for both peoples," he said.

U.S. Is Urged to Step Up Anti-Missile Laser Work

By Walter Pincus
Washington Post Service

WASHINGTON — An advisory panel has urged Defense Secretary Caspar W. Weinberger to step up research on new space weapons beginning the fiscal year that starts next Oct. 1, including work on lasers for use against enemy missiles and a program to harden new U.S. missiles so they can withstand basic weapons themselves.

Mr. Weinberger is expected to make his decision this week or next on the recommendations of the commission, which was headed by the former National Aeronautics and Space Administration director, James Fletcher. It was established after President Ronald Reagan's speech earlier this year calling for a major new effort to find some space defense against ballistic missiles.

Pentagon officials said last week that an expanded U.S. program was needed to counter recent Soviet progress.

The "most dangerous" advance according to an official is a system of satellites that could apparently direct cruise missiles launched from Backfire bombers toward U.S. ships at sea anywhere in the world.

Until recently, analysts had said they believed that these satellites, called Rombi, could be used only for surveillance of ships at sea. Now, however, it is believed that they can transmit location data down to Soviet aircraft and perhaps even to the guidance systems of cruise missiles already in flight.

Soviet satellites "will give a new dimension" to weapons technology, a Pentagon official said. "They will pick out military targets, locate

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The Associated Press
Corazón Aquino, left, widow of the slain Philippine opposition leader, Benigno S. Aquino, was hugged by a supporter after speaking at a rally on Saturday in a Manila slum.

Aides Fear Costa Rica May Be Drawn Into Nicaragua Conflict

By Robert J. McCartney
Washington Post Service

SAN JOSE, Costa Rica — Stepped-up attacks by anti-Sandinist Nicaraguan guerrillas along the Costa Rican-Nicaraguan border are posing an increasing threat of embroiling this nation in the Nicaraguan conflict, according to senior Costa Rican officials and foreign diplomats here.

Costa Rica — which has 7,000 men under its two main security forces, the Civil Guard and the Rural Guard, but no army — has repeatedly declared its neutrality in the region's military confrontations.

But leaders of the Nicaraguan guerrillas say they are using Costa

Rican territory to smuggle arms to their forces, in violation of San José's stated policies. In addition, Nicaragua claims that insurgents have attacked it from Costa Rican territory and has warned that it will strike into border areas of Costa Rica to repel such raids.

The tensions worsened after the Sept. 28 insurgent raid on the Nicaraguan border post at Peñas Blancas.

Costa Rica said that the Democratic Revolutionary Alliance raiding party never was in Costa Rica and that Nicaraguan troops fired three times on Costa Rican civil guards.

Nicaragua said that the insurgents had entered from Costa Rica and that its forces had fired on the Costa Rican customs house because guerrillas had taken up positions there.

The government in San José feels pulled in two directions as it considers how to deal with the fighting, according to Costa Rican and foreign sources.

It would like to stay out of trouble and concentrate on solving its economic problems, notably a ponderous foreign debt. This desire has led to sporadic arrests of Nicaraguan guerrillas found in Costa Rica and seizures of arms destined for the insurgents.

But the government seems to be worried over what it sees as a potential threat to its stability posed by the consolidation of a Marxist government in Nicaragua. As a result the authorities have shown some laxity in efforts to halt the activities of the Nicaraguan insur-

gents, according to guerrilla and diplomatic sources.

Costa Rica is also planning to order a drastic cutback in the number of personnel at the Nicaraguan Embassy, a Foreign Ministry official said. Nicaragua has about 80 employees at its embassy in San José, while Costa Rica has fewer than a dozen in Managua, he said.

The Nicaraguan government, meanwhile, is worried about the intensification of guerrilla attacks, according to officials in Managua. "It appears that the forces of aggression are becoming stronger," a high-ranking Foreign Ministry official said in an interview.

"It could be the prelude toward a change in Costa Rican policy."

"They're caught in a kind of trap," said a West European diplomat. Officials sympathetic with the alliance, but "realize that it could be the source of a lot of trouble," the diplomat said.

The Democratic Revolutionary Alliance is one of two guerrilla groups battling Nicaragua's Sandinist government. The other is the Nicaraguan Democratic Force, which is based in Honduras and is known to receive funding from the U.S. Central Intelligence Agency.

Costa Rica permits the alliance to have its political headquarters in San José, but authorities insist that they do not allow the alliance to have military bases or transport weapons inside the country.

Foreign journalists who visited the Democratic Revolutionary Alliance's main military camps last month confirmed that they were located in jungles on the northern Nicaraguan bank of the San Juan River, which marks the border with Costa Rica. But alliance officials said in San José that they funnel some arms from Costa Rica in wooden canoes with outboard motors and by jeeps.

"We have no arms here, no military bases. But to ship arms is another thing," a high-ranking alliance official said. "In the struggle, we have to conspire."

The official said that the group passes only a minority of its arms through Costa Rica, apparently to avoid compromising the government as much as possible. He said that most of the arms come in small boats or planes from countries to the north, including Honduras and El Salvador.

Philippine Opposition Attacks Bush's Remarks

United Press International

MANILA — A Philippine opposition leader has lashed out at the U.S. vice president, George Bush, saying he "put his foot in his mouth" by defending President Ferdinand E. Marcos against accusations of political assassination.

Anti-government protesters continued demonstrations Saturday for the fourth straight day and renewed accusations that Mr. Marcos had engineered the Aug. 21 assassination of the opposition leader, Benigno S. Aquino.

The attack on Mr. Bush was delivered Saturday by René Espina, leader of the United Nationalist Democratic Organization, in response to Mr. Bush's remarks Thursday that Filipinos have accused Mr. Marcos of the Aquino assassination "before the jury went out."

Mr. Bush also compared Mr. Marcos to the late Shah of Iran, implying that criticism of the Iranian monarch's human rights record led to the rise of Ayatollah Ruhollah Khomeini and even worse human rights violations.

Mr. Espina said: "At a time when Filipinos believe that Marcos's authoritarian regime is responsible for the murder of Aquino, at a time when Filipinos are suffering imprisonment, torture, disappearance and death for believing in and for trying to re-establish a democratic government, Mr. Bush has again put his foot in his mouth."

"We must remember that this is the same Mr. Bush that said during

his Manila visit, 'We love your adherence to democratic principles,'" Mr. Espina said.

Mr. Bush made that remark while toasting Mr. Marcos during a visit to Manila in June 1981.

In Hot Springs, Virginia, Deputy Secretary of State Kenneth W. Dam said Saturday that the Philippine government would make changes "at some point" and the United States hoped for moves to ward off the threat.

But when Mr. Lundquist asked when he thought Mr. Marcos would be tried, he said: "I think he should be tried as soon as possible."

Mr. Lundquist, who is the only full-blooded Indian in Congress, became an instant hero of the political opposition.

At a rally in Rio de Janeiro called to protest Brazil's agreement with the IMF, demonstrators chanted, "Juruna is right, Defim is a thief!"

Government officials, however, were outraged. Some demanded that Mr. Juruna be expelled from Congress, but in the end cooler heads prevailed. Mr. Juruna said he had not meant to accuse cabinet members of personal corruption, and he was let off with a reprimand.

His outburst, in the view of many Brazilians, was symbolic of the growing social tensions in Brazil. The cause of those tensions, most agree, is the worsening economic situation and, in particular, the sacrifices being demanded by the IMF in exchange for continued international credit.

The IMF wants Brazil to slash

public spending and adopt strict monetary policies that, according to economists, will increase unemployment at a time when the country is already mired in a deep recession.

A near-unanimous chorus of political speeches, newspaper editorials, and declarations by prominent

businessmen and economists has arisen to protest the IMF proposal.

Ulysses Guimaraes, leader of the opposition Brazilian Democratic Movement, said accepting the IMF package would amount to an "abandonment of national sovereignty."

One of Latin America's most prominent economists, Anibal Pinto, a former director of the Economic Commission for Latin America, said in an interview published last week that the IMF reci-

pe was "manifestly absurd" in the face of the discontent that has begun to shake Brazil. He endorsed the growing demands for a moratorium on the repayment of Brazil's

foreign debt, a suggestion that strikes fear in the hearts of Citibank, Morgan Guaranty, and the other powerful financial institutions that have loaned Brazil more than \$90 billion.

Per capita income in Brazil has fallen 12 percent in real terms since 1980. The number of jobs available in the industrial sector has dropped to the level of 1973, despite a population increase of 25 million since then. More than half the population is under 20, and few of these young people can hope for productive employment.

"The social situation could be-

come very dangerous within the next three or four months," said

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INTERNATIONAL HERALD TRIBUNE

Published With The New York Times and The Washington Post

Encumbered Build-Down

The Reagan administration has finally negotiated a strategic arms deal — but only with key members of Congress, not with the Russians. The flexible-sounding proposal for a "build-down" — trading safer new warheads for unsafe older ones — is a nod to some American legislators to win their support for missile budgets. But it has been granted to a familiar demand that Moscow restructure its missile forces much more than Washington.

Even if not thus encumbered, the build-down would require years of negotiation and a decade or two to accomplish. The best way to get there is still through a compromise on pending proposals for sizable cutbacks.

The appeal of the build-down is that it would reward the superpowers for shifting to less threatening missiles while they modernize. For example, deploying a desirable, mobile single-warhead missile might be allowed for dismantling only one old warhead. But building an undesirable, immobile multi-warhead missile might require dismantling two old warheads for every new one. President Reagan's new proposals adopt this idea, contributing significantly to the arms discussion.

But Mr. Reagan's proposals demand a simultaneous build-down in "destructive capacity," or missile throw-weight, which is just another way of again demanding sharp cuts in Soviet land missiles. It is unrealistic — even in return for the cuts in American bomber payloads that may now be offered.

The most valid concern of the Reagan administration arises from the asymmetry in Soviet and American strategic forces. They are roughly equal in total destructive power, but much of America's force is in relatively unthreatening, second-strike weapons aboard submarines and bombers, while most Soviet power is in multi-warhead land missiles that pose a theoretical "first-strike" threat.

What is worrisome in this imbalance, however, is not the size, the throw-weight or the accuracy of Soviet missiles, as the Reagan administration contends. The danger lies in multi-warhead missiles facing immobile missiles, producing a theoretical "exchange ratio"

advantage for a pre-emptive first strike — an attacker's calculation that he could spend one missile with 10 warheads to destroy five enemy missiles with 50 warheads.

Abandon multi-warhead weapons and a first strike becomes unthinkable. It would take at least two single-warhead missiles to destroy one enemy warhead, and an even greater ratio to take out mobile weapons. Stable deterrence in the longer run requires a gradual shift to single-warhead missiles. But to keep focusing on throw-weight is to keep asking the Russians to scrap half of their land forces. They will not do that any time soon, and stability has to be improved initially in other ways.

The obsession with throw-weight also gets in the way of two promising arms control concepts. One is the Scowcroft commission's endorsement of shifting to single-warhead missiles. The other is the build-down idea advanced by Senator William Cohen, Representative Albert Gore and four colleagues. Both groups agreed to support the MX missile in return for acceptance of their ideas. But the administration accepts those ideas more in principle than in deed. It is pushing for a 10-warhead MX in vulnerable silos, not for a mobile one-warhead Midasman.

The build-down idea, in any case, cannot be attained in less than 10 years. It is the most complicated arms control idea ever.

In the meantime there is no reason for not seizing on the pending offers of reductions. The Russians have proposed cutting the missile and bomber ceiling of 2,250 in the unratified SALT-2 treaty down to 1,800. The United States has proposed about 1,600. That is a negotiable distance. By converting those numbers into warhead equivalents, Mr. Reagan might be able to achieve much of the cutback initially proposed, from about 7,500 to 5,000 missile warheads on each side.

Something along these lines is said to have been urged by the State Department in recent days. Such a reduction would set the stage for build-down and represent a valuable achievement in its own right.

— THE NEW YORK TIMES.

The Lebanese Question

The question of Lebanon is whether there is a Lebanon, a real nation underneath the torment and the fractures, or whether the original Lebanese idea of a community of communities is simply a historical anomaly or colonial artifact whose time has come and gone.

There is an element of unfairness in calling upon Lebanon to address that question. The question is in many ways offensive; other countries, hardly less ethnically splintered and embattled, are not often called upon to address it. The political circumstances, however, make it unavoidable. For the very suggestion, which is more than a suggestion, that Lebanon is not a real nation, that its plainly existing hatreds and divisions are its ultimate reality, is feeding a go-with-the-flow movement to "ratify" this reality in the form of either a partition into Syrian and Israeli buffer spheres of influence, or establishment of "cantons" that house the separate communities.

In a sense, the United States is already a party to this hidden concept. The American political system was convulsed by the first casualties among U.S. Marines in the peace-keeping force. There is scant evident taste for much further expenditure of American resources in behalf of the long-time formal goal of Lebanese integrity. In Lebanon the suspi-

We think it is wrong to yield lightly to the "realities" of no Lebanon. To do so would mean backing off from a decades-long commitment to its integrity — a lapse that would rebound throughout the area, and not only there. There is no denying the immense contribution that Lebanon has made to their own despair. But there is also no denying — here the "realists" come up short — the immense contribution made by introducing foreigners, most grievously the Palestinians, but also in their respective measures the Israelis, the Syrians and others.

Had such a treaty been concluded then, Mr. Harriman observed, many nuclear weapons systems that now threaten the world could never have come into existence.

Jerome Wiesner, who was President Kennedy's science adviser, also suggested that the moment might have been lost in 1963. Speaking earlier at the dinner sponsored by the Arms Control Association, he said Mr. Kennedy had been greatly encouraged by a tour of Western states 20 years ago this autumn, during which crowds had roared approval of the Limited Test Ban Treaty.

Mr. Wiesner said Mr. Kennedy told him that if he had realized how much public support there was, he might have been more willing to insist on a comprehensive test ban.

The issue arose again during the Carter administration when the United States, Britain and the Soviet Union virtually completed a Comprehensive Test Ban (CTB) treaty in which, for the first time, Moscow agreed to on-site inspections as part of the necessary verification procedures. Paul Warnke, then the U.S. negotiator, told the audience that he now wondered whether higher priority should not have been given to the CTB rather than to SALT-2, which ultimately was not ratified.

Mr. Wiesner and Mr. Warnke agreed that in the Kennedy administration, as later under President Carter, opposition within the U.S. government — in the Pentagon, in Congress, at the national nuclear laboratories — as well as in the "military-industrial complex" and the press had been a bigger obstacle than the Soviet Union to agreement on a comprehensive test ban.

We don't have such a treaty, Mr. Wiesner said, "because we don't want it." Instead, internal pressures to continue testing for new nuclear weapons systems and to improve old ones have been too strong.

Another former Carter administration official suggested in a private conversation that, owing to internal U.S. government opposition to a comprehensive treaty, the better course might have been to concentrate on a treaty banning all tests except those of relatively low yield. That way, he said, Moscow might at

arms control or peace? Who would do the most for human rights or against the "feminization of poverty" they all would.

Still, the position of each and all was demonstrably different from that of a president with decidedly harsher views of cities and the poor. The early focus on New York is not just an exercise in provincial longing for the glory days when New York was the biggest state and to be its governor was to be America's crown prince. Opening on Broadway fastens the candidates' attention on urban needs and values — which, as Senator Gary Hart pointed out, are so well illustrated in New York.

New Yorkers can be more liberal, knowing intimately about the needs of the urban poor and about the poorthouse duties that America imposes on its big cities. They can also be more conservative, knowing intimately about fiscal crisis and about crime. And sometimes their interests are simply special. As Governor Mario Cuomo observed of the seven candidates, "I'm sure they were surprised to hear the question about a special envoy to Ireland raised at every forum."

— THE NEW YORK TIMES.

FROM OUR OCT. 10 PAGES, 75 AND 50 YEARS AGO

1908: Grief at the Polo Grounds

NEW YORK — The mortality of clerks' and office boys' relatives is alarming. It is estimated that two thousand grandmothers had died. Wall Street, in a body, was at the funeral at the polo grounds. From a Wall Street point of view, war clouds and politics are trivial matters until the pennant is decided. The few brokers left on the job brought in their luncheon, as there was no one to keep their offices. Hundreds of special parties from Wall Street went to see the final game and millionaires had to stand in line with tickets. By defeating New York by 4-2, Chicago again won the National League baseball championship. The biggest funeral procession that the world ever saw filed out of the Polo Grounds.

1938: The Newark Stock Exchange?

NEW YORK — The NRA, whose progress has been discussed almost to the exclusion of other matters in the financial community since last summer, faded perceptibly into the background of public interest recently, states an article by Edward H. Collins, Associate Financial Editor of the New York Herald Tribune. This was because of other substantial events, among them a fresh flood of contradictory and confusing dispatches from Washington concerning the prospects of currency inflation, the most serious break in the bond market in many months, and, finally, the amazing revelation that the Stock Exchange really was very much in earnest in its plan to move, beg and begone, from Wall Street to Newark.

INTERNATIONAL HERALD TRIBUNE

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MONDAY, OCTOBER 10, 1983

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Numbers
That Count
Democrats

By Barry Sussman

WASHINGTON — The opinion poll from John Glenn as a member of the Senate, Walter Mondale as a Democrat against George H.W. Bush in 1984. The reason was that Glenn, the largest group of voters, is the largest group of voters in any presidential election.

"Go with the candidates' supporters. If there are many who are correct?" Are the polls right?

Mr. Glenn is not the only one.

The simple answer is that many who say they are Mr. Mondale are little different in percentage of Mondale supporters than the rest.

A Gallup survey, however, showed Mr. Mondale up 50 to 50 percent among those who said he was a substantial candidate, but it is down eight points.

The Gallup Poll in June showed 45 percent of Democrats and 41 percent of Republicans voting for Mr. Mondale, 12 percent for Mr. Glenn, and 12 percent for others.

The effect of Mr. Glenn's "winning" strategy seems to be getting him twice as many votes. Voters and state officials do not seem to be giving Mr. Glenn an advantage over Mr. Mondale.

Much of that shift comes from voters who very much want to give the win to Mr. Glenn and are therefore supporting him. The Glenn theme could be less important than ever.

Taking the results of the Washington Post-ABC poll and looking them at a larger scale, to have larger numbers to work with, it is a mock campaign.

42 percent of the voters for Ronald Reagan against 44 percent for Mr. Glenn, 44 percent for the Democratic spine-shakers.

Sixty-eight percent for Mr. Glenn over Mr. Mondale, 44 percent, 6 percent for Mr. Reagan over Mr. Mondale, and 44 percent for Mr. Glenn over Mr. Mondale.

The difference between Mr. Mondale and Mr. Glenn is 10 percent, and 10 percent is the average of the six-month bid-offered interbank rate.

Attached to each \$10,000 note are warrants to buy 25 Dresdner shares at a price of 172 Deutsche marks each, the price then prevailing on the Frankfurt exchange. However, the notes themselves were sold for \$10,500. The \$500 price over the face value of the notes was the cost Dresdner put on the value of the warrants.

Thus, the warrant for each share was valued at \$20, equal to about 52

EUROBONDS

By Carl GEWIRTZ

M-1 Rise Disappoints Market's Hope For a Realignment of Bond Prices

PARIS — A \$600-million increase in the U.S. money supply reported late Friday by the Federal Reserve while not especially large was disappointing for bond markets, convinced that the latest figures would show a decline of at least that size.

This is especially bad news for the Eurobond market, where interest rates have declined much further than those in New York. Thus, either bond prices in New York need to rise, justifying the Eurobonds, or Eurobond prices have to fall to come into line with conditions in New York.

The best example of this is the World Bank's latest offering of \$200 million of seven-year notes. Priced at par bearing a coupon of 11 1/4 percent, the notes ended the week quoted at a discount of 14 1/4 points.

At a discount of 14 1/4, the World Bank paper yielded five basis points less than comparable U.S. Treasury notes in New York. Normally, bankers say, World Bank paper would be expected to yield about 50 basis points (half a percentage point) over Treasury.

"The World Bank issue was aggressively priced, but the paper is selling. . . . Investors are there," a U.K. banker said. But, he warned, "there is a psychological risk. If New York fails to move ahead, we could see an enormous correction" in Eurobond prices.

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Canadian Offering Awaited

Still awaited is a \$500-million offering from Canada. Rumors Friday said the government was holding back waiting until it could issue paper at less than 10 percent, possibly 4 1/2 percent notes bearing a coupon of 10 1/2 percent.

Gaussian of the Netherlands, another highly regarded and infrequent borrower, sold \$75 million of seven-year notes bearing a coupon of 11 1/4 percent. Priced at 99 1/2, the notes ended the week at a slim discount of 1/2 percent.

Farm Credit Corp., a Canadian crown agency, sold \$75 million of 10-year bonds at a discount of 99 1/2 bearing a coupon of 11 1/4 percent. This issue ended the week quoted at less than 10 percent.

Rio Tinto-Zinc, trying to better Britain's 11% of 1990 (which ended the week at 100 1/2) offered \$100 million (cut from an intended \$150 million) of 10-year bonds at par bearing a coupon of 11 1/4 percent. The RTZ bonds ended the week at a steep discount of 97 1/2%.

Dresdner, taking advantage of the market's appetite both for floating rate paper and equity-linked paper, issued \$400 million of floating rates. Interest on the 10-year notes is set at a quarter-point over the average of the six-month bid-offered interbank rate.

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(Continued on Page 9, Col. 1)

NOTICE OF REDEMPTION OF BONDS

Olivetti International S.A.

US \$15,000,000 9 1/2 %

15 Year guaranteed bonds of 1970 unconditionally guaranteed by

Ing. C. Olivetti & C. S.p.A.

Redemption of US \$1,010,000—Redemption date November 15, 1983

According to art. 7 of Paying Agency Agreement and terms and conditions of the bonds we inform that the following bonds have been called for redemption at par:

2	810	2160	3528	4855	6041	7346	7740	0649	1154	12147	12748	13346	13880	14495	
59	579	972	2160	3530	4855	6045	7351	7751	0655	1154	12148	12747	13357	13881	14497
118	1012	2100	3534	4857	6046	7352	7753	0656	1155	12149	12748	13358	13882	14498	
140	1048	2241	3558	4858	6047	7353	7754	0657	1156	12150	12749	13359	13883	14499	
153	1062	2456	3560	4859	6073	7358	7755	0658	1156	12151	12750	13360	13884	14500	
154	1069	2462	3569	4860	6075	7359	7756	0659	1157	12152	12751	13361	13885	14501	
175	1075	2482	3573	4862	6088	7369	7757	0660	1158	12153	12752	13362	13886	14502	
176	1085	2491	3579	4863	6091	7374	7760	0661	1159	12154	12753	13363	13887	14503	
177	1169	2491	3579	4863	6093	7374	7761	0662	1159	12155	12754	13364	13888	14504	
191	1169	2503	3600	5016	6159	7762	8118	0663	1159	12203	12823	13441	14088	14505	
205	1262	2620	3658	5018	6185	7772	8124	0664	1160	12211	12844	13452	14099	14506	
215	1287	2522	3672	5010	6206	7610	8096	0665	1161	12212	12845	13453	14100	14507	
220	1221	2540	3721	5037	6224	7314	8904	0666	1162	12221	12875	13454	14101	14508	
225	1255	2550	3724	5040	6226	7314	8904	0667	1163	12222	12876	13455	14102	14509	
231	1270	2555	3743	5042	6228	7314	8904	0668	1164	12223	12877	13456	14103	14510	
251	1870	2553	3740	5051	6270	7910	8227	0669	1165	12224	12878	13457	14104	14511	
261	1372	2554	3838	5068	6276	7528	8228	0670	1166	12225	12879	13458	14105	14512	
276	1282	2561	3840	5073	6277	7930	8232	0671	1167	12226	12872	13459	14106	14513	
282	1282	2561	3840	5073	6277	7930	8232	0672	1168	12227	12873	13460	14107	14514	
288	1418	2607	3887	5116	6463	8185	8244	0673	1169	12228	12874	13461	14108	14515	
289	1487	2631	3889	5117	6464	8185	8244	0674	1170	12229	12875	13462	14109	14516	
290	1490	2632	3924	5169	6523	8130	8687	0675	1171	12230	12876	13463	14110	14517	
291	1506	2636	3924	5170	6523	8130	8687	0676	1172	12231	12877	13464	14111	14518	
293	1545	2765	3939	5174	6532	8129	8687	0677	1173	12232	12878	13465	14112	14519	
295	1655	2767	4027	6175	6536	8234	8894	0678	1174	12233	12879	13466	14113	14520	
308	1560	2771	4038	6182	6536	8217	8897	0679	1175	12234	12880	13467	14114	14521	
412	1581	2771	4044	6184	6551	8010	8983	0680	1176	12235	12881	13468	14115	14522	
512	1581	2771	4044	6184	6551	8010	8983	0681	1177	12236	12882	13469	14116	14523	
521	1747	2854	4343	5494	6823	8436	8987	0682	1178	12237	12883	13470	14117	14524	
525	1759	2865	4403	5495	6824	8436	8987	0683	1179	12238	12884	13471	14118	14525	
537	1824	2864	4439	5495	6825	8436	8987	0684	1180	12239	12885	13472	14119	14526	
559	1878	2894	4456	5565	7056	8436	8987	0685	1181	12240	12886	13473	14120	14527	
567	1878	2894	4456	5565	7057	8437	8987	0686	1182	12241	12887	13474	14121	14528	
592	1894	2910	4463	5565	7057	8437	8987	0687	1183	12242	12888	13475	14122	14529	
595	2016	2954	4673	5701	7851	8437	8987	0688	1184	12243	12889	13476	14123	14530	
600	2017	2959	4673	5701	7851	8437	8987	0689	1185	12244	12890	13477	14124	14531	
602	2025	2962	4683	5702	7852	8437	8987	0690	1186	12245	12891	13478	14125	14532	
606	2035	3104	4736	5566	7100	8981	8437	0691	1187	12246	12892	13479	14126	14533	
607	2046	3130	4756	5569	7101	8982	8437	0692	1188	12247	12893	13480	14127	14534	
608	2054	3131	4756	5569	7101	8983	8437	0693	1189	12248	12894	13481	14128	14535	
624	2061	3144	4763	5702	7103	8983	8437	0694	1190	12249	12895	13482	14129	14536	
627	2121	3160	4828	5730	7101	8983	8437	0695	1191	12250	12896	13483	14130	14537	
628	2121	3178	4838	5753	7106	8984	8437	0696	1192	12251	12897	13484	14131	14538	
632	2123	3182	4901	5791	7209	8984	8437	0697	1193	12252	12898	13485	14132	14539	
633	2123	3185	4903	5791	7209	8984	8437	0698	1194	12253	12899	13486	14133	14540	
650	2130	3265	4912	5822	7208	8985	8437	0699	1195	12254	12899	13487	14134	14541	
721	2121	3270	4927	5816	7208	8985	8437	0700	1196	12255	12900	13488	14135	14542	
824	2123	3270	4927	5816	7208	8985	8437	0701	1197	12256	12901	13489	14136	14543	
825	2123	3275	4927	5816	7208	8985	8437	0702	1198	12257	12902	13490	14137	14544	
903</td															

